

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)
) No. D 04 - 122
James W. Bannon,)
) STIPULATION AND ORDER
) LEVYING A FINE
)
Licensee.)

STIPULATION BY AGENT

James W. Bannon, ("licensee") hereby stipulates to the payment of a fine in the total amount of \$ 2,000 based on the following facts which are hereby acknowledged. Licensee further stipulates and agrees that he will comply with Washington insurance laws and regulations in the future.

1. In March 2004, the Office of the Insurance Commissioner (OIC) completed an examination of the accounting records of the licensee. After the licensee's accounting records were reconstructed, several accounts required premium adjustments. Refunds totaling \$3,889.95 were issued to twelve policyholders. In addition, premiums collected and not disbursed to the insurance company totaling \$14,563 and premium payments made to the insurance company in error totaling \$9,370 were identified and reconciled. Each of these acts or failures to act violated RCW 48.17.480, relating to the reporting and accounting of premium, and RCW 48.17.600, relating to the separation of premium funds.

2. The OIC examination revealed that checks had been disbursed from the licensee's separate premium account for two personal loans. One loan was made to an employee and another to a personal friend. The examination also revealed checks written from the separate premium account for personal expenses. Each of these acts violated RCW 48.17.480, relating to the reporting and accounting of premium, and RCW 48.17.600, relating to the separation of premium funds.

The licensee has engaged in practices that are not in accord with the standards set out in the insurance code of Washington. Accordingly, the licensee enters into this Stipulation and the following Order imposing a fine voluntarily and with the understanding that such fine is in lieu of any suspension or revocation of the licensee's license for such conduct. The licensee also understands and stipulates that the facts described above, and the fact of this stipulation, may be considered by the Commissioner in any future administrative actions regarding the licensee.

Signed this _____ day of _____, 2004.

By: _____

James W. Bannon

ORDER REVOKING LICENSE

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ORDER

Pursuant to RCW 48.17.560 and the foregoing Stipulation, the Commissioner hereby imposes a fine in the amount of \$ 2000 upon James W. Bannon.

The fine shall be paid in full within 30 days from the date of this Order. Upon failure to pay the fine, the Commissioner will revoke the license of the licensee and the fine will be recoverable in a civil action brought on behalf of the Commissioner by the Attorney General.

ENTERED AT TUMWATER, WASHINGTON, this 10th day of June, 2004.

MIKE KREIDLER
Insurance Commissioner

By

SCOTT JARVIS
Deputy Commissioner

Examiner: Mary Manum